Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR IMMEDIATE

AMEMBASSY BANGKOK

SECRETSTATE 125835

EXDIS KUALA LUMPUR AND BANGKOK FOR HABIB

FOLLOWING REPEAT STATE 125835 SENT ACTION THE SECRETARY AND INFO SINGAPORE DTD 30 MAY 75 QUOTE:

SECRETSTATE 125835 TOSEC 020129

EXDIS

E.O. 11652:GDS

TAGS: PFOR, EAID, MASS, LA, US

SUBJECT: ACTION MEMORANDUM: OPTION PAPER-FUTURE US POLICY TOWARD LAOS (S/S NO. 7510945)
FOR THE SECRETARY FROM ZURHELLEN, EA, THROUGH THE ACTING

SECRETARY
SECRETARY

SINGAPORE FOR HABIB

1. PROBLEM. THE PROVISIONAL GOVERNMENT OF NATIONAL UNION (PGNU) IN LAOS, WHICH WAS ESTABLISHED IN 1974 UNDER THE VIENTIANE ACCORDS WITH FULL US SUPPORT, HAS EFFECTIVELY COME UNDER COMMUNIST DOMINATION IN THE WAKE OF COMMUNIST TAKEOVERS IN CAMBODIA AND SOUTH VIETNAM. WE NEED TO DECIDE SECRET SECRET

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WHETHER IT IS ANY LONGER IN THE US INTEREST TO MAINTAIN ANY DIPLOMATIC PRESENCE IN VIENTIANE AND, IF SO, WHETHER IT IS NECESSARY OR WORTH PAYING ANY PRICE FOR SUCH A PRESENCE

(IN THE FORM OF ECONOMIC AND/OR MILITARY AID).

AGAINST THE BACKDROP OF GROWING HARASSMENT OF AMERICAN OF-FICIALS AND PROPERTY SINCE EARLY MAY, OUR OVERRIDING CON-CERN HAS BEEN THE SAFE EVACUATION OF OFFICIAL AMERICANS DOWN TO A MINIMUM NUMBER (AS YET UNSPECIFIED, BUT UNDER 50) SO THAT WE COULD THEN TAKE ACTIONS WITHOUT MANY AMERICANS BEING HOSTAGE TO THEM. FROM SOME 1100 AMERICANS IN LAOS A MONTH AGO, WE NOW HAVE FEWER THAN 200 US OFFICIAL AND ABOUT 110 UNOFFICIAL AMERICANS. THUS WE HAVE MADE GREAT PROGRESS

TOWARD OUR GOAL OF SCALING BACK OUR MISSION TO A MINIMUM NUMBER, BUT WE ARE NOT THERE YET. WE HAVE INSTRUCTED CHARGE CHAPMAN TO GET THERE BEFORE JUNE 5.

MEANWHILE, WE HAVE QUIETLY SUSPENDED ECONOMIC AND CERTAIN MILITARY AID SHIPMENTS INTO LAOS. ALTHOUGH WE HAVE NOT INFORMED THE PGNU OF THESE SUSPENSIONS, THEY WILL BECOME APPARENT BEFORE TOO LONG, AND COULD LEAD TO INCREASED TENSIONS AND DANGERS TO REMAINING AMERICANS.

BOUT JUNE 5, WE WILL BEGIN HEARINGS ON THE FY 1976 ECONOMIC AID PROGRAM WHICH, AS ORIGINALLY FORMULATED, INCLUDED SOME THIRTY-SIX MILLION DOLLARS IN ECONOMIC AID FOR LAOS. WHILE THE CONGRESSIONAL PRESENTATION DOCUMENTS INCLUDE THE ORIGINALLY FORMULATED PROPOSALS, WE HAVE INSERTED A STATEMENT THAT WE AS YET HAVE NO FINAL DECISION ON AID TO LAOS IN FY 1976. SHORTLY THEREAFTER THE CONGRESS WILL BEGIN CONSIDERATION OF A CONTINUING RESOLUTION ON AID FUNDS, AND THERE WILL UNDOUBTEDLY BE PRESSURES AT THAT TIME TO EXCLUDE LAOS FROM THE PROGRAM. THUS, WITHIN THE NEXT 10 DAYS WE WILL NEED TO DECIDE HOW WE WISH TO HANDLE PUBLICLY THE ISSUE OF FUTURE AID TO LAOS.

ASSISTANT SECRETARY HABIB PLANS TO BE IN VIENTIANE JUNE 2-4. HIS VISIT OFFERS AN OPPORTUNITY FOR AN AUTHORITATIVE EXCHANGE WITH SOUVANNA AND PHOUMI ON THE DIRECTION OF USSECRET SECRET

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LAO RELATIONS.

FINALLY, AMBASSADOR-DESIGNATE GALEN STONE HAS BEGUN HIS BRIEFINGS AND IS SCHEDULED FOR HIS CONFIRMATION HEARING ON JUNE 4. HE THEREFORE MAY BE ABLE TO ARRIVE IN VIENTIANE BY THE MIDDLE OF JUNE.

ANALYSIS. WITH COMMUNIST TAKEOVERS IN CAMBODIA AND SOUTH VIETNAM, THE US HAS REALLY LITTLE INTRINSIC INTEREST IN LAOS ITSELF -- CERTAINLY NOTHING WHICH WOULD OBLIGE US TO PAY MUCH, IF ANY, OF AN AID PRICE TO REMAIN THERE. IF HARASSMENT OF AND INTERFERENCE WITH AMERICAN FACILITIES

SHOULD CONTINUE, A LIKELY PROSPECT IS FOR A TOTAL US WITH-DRAWAL WITHIN A MATTER OF WEEKS. THERE ARE SOME INDICATIONS THAT THIS COULD BE THE GOAL OF PHOUMI VONGVICHIT AND HIS PATHET LAO COLLEAGUES, ALTHOUGH NOT OF SOUVANNA PHOUMA. IT COULD ALSO BE THE AIM OF THE DRV TO RID ALL OF INDOCHINA OF ANY AMERICAN PRESENCE. HOWEVER, CONSIDERATION SHOULD ALSO BE GIVEN TO THE POSSIBILITY THAT THE HARASSMENT IS FOR THE SAKE OF DENIGRATING THE US -- THAT IS, SOMETHING SHORT OF FORCING A TOTAL US WITHDRAWAL. FINALLY, THERE EXISTS THE THIRD POSSIBILITY THAT THE HARASSMENT IS FOR A SPECIFIC PURPOSE, SUCH AS PUTTING PRESSURE ON US SO AS TO

AFFECT OUR RELATIONS WITH THAILAND.

IN ANY CASE, IT IS WORTH CONSIDERING THE ISSUE OF RESIDUAL US INTERESTS IN LAOS. TOTAL US WITHDRAWAL FROM LAOS WOULD COMPLETE OUR WITHDRAWAL FROM INDOCHINA, AN AREA WHERE WE HAVE BEEN DEEPLY ENGAGED FOR TWENTY YEARS. IT WOULD DEPRIVE US OF INFLUENCE ON EVENTS THERE, OR OF EVEN ANY DIPLOMATIC PRESENCE, A PRESENCE WE FIND IT CUSTOMARY AND CONVENIENT TO MAINTAIN IN MOST COUNTRIES OF THE WORLD, FRIENDLY OR UNFRIENDLY, COMMUNIST OR NON-COMMUNIST.

ANOTHER FACTOR TO BE CONSIDERED IN OUR LONGER-TERM INTERESTS IS THE POSSIBLE IMPACT ON THAILAND OF A TOTAL US WITHDRAWAL FROM LAOS. WE DON'T CONSIDER THIS TO BE SIGNIFICANT AT THIS TIME.

OPTIONS. A. TO WITHDRAW COMPLETELY FROM LAOS, STOPPING SECRET
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ALL AID AND FORMALLY SEVERING DIPLOMATIC RELATIONS.

PROS. 1. PERHAPS THE MOST DIGNIFIED RESPONSE TO THE GROWING HARASSMENT OF AND INTERFERENCE WITH AMERICANS AND AMERICAN PROPERTY AND IT ELIMINATES POSSIBLE FUTURE THREATS TO AMERICANS;

- 2. IS NOT LIKELY TO HAVE A MEASURABLY GREATER ADVERSE IMPACT ON THAILAND THAN THE RETENTION OF A MODEST DIPLOMATIC PRESENCE:
- 3. PLACES THE BURDEN FOR LAO SUPPORT LARGELY ON ITS SOCIALIST ALLIES;
- 4. REFLECTS THE ABSOLUTE LACK OF ANY REAL RESIDUAL US INTERESTS IN LAOS AFTER THE FALL OF VIETNAM AND CAMBODIA.

CONS. 1. REMOVES EVEN A US LISTENING POST FROM INDO-CHINA:

- 2. DEPRIVES US OF ANY ON-THE-SCENE INFLUENCE OVER EVENTS IN INDOCHINA:
- 3. DEPRIVES US OF ANY LOCAL ABILITY TO INFLUENCE SOVIET, CHINESE AND NORTH VIETNAMESE ATTITUDES IN LAOS;
- 4. PERHAPS SERVES TO DISCOURAGE THE THAI EVEN FURTHER FROM ACCOMMODATING TO US INTERESTS.
- B. TO WITHDRAW OUR PERSONNEL FROM LAOS AND STOP AID, WITHOUT, HOWEVER, BREAKING DIPLOMATIC RELATIONS. (WE HAVE DONE THIS IN THE PAST IN TEHERAN AND BRAZZAVILLE (1965)

ON THE GROUNDS THAT THE MISSIONS COULD NOT OPERATE IN A NORMAL DIPLOMATIC FASHION.)

PROS. 1. THIS PUTS THE ONUS FOR THE WITHDRAWAL ON THE PGNU;

2. IT ALLOWS, IF BOTH SIDES AGREE, FOR EASIER RE-ESTABLISHMENT OF A US MISSION;

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3. IT PERMITS THE PGNU TO MAINTAIN ITS EMBASSY IN WASH-INGTON.

CONS. SAME AS UNDER OPTION A.

- C. TO MAINTAIN A MODEST DIPLOMATIC PRESENCE WITHOUT ANY AID PROGRAMS.
- PROS. 1. CONSISTENT WITH OUR PRACTICE IN OTHER COMMUNIST DOMINATED COUNTRIES WHERE WE MAINTAIN DIPLOMATIC RELATIONS:
- 2. PAYS NO PRICE FOR MAINTAINING A MINIMAL DIPLOMATIC ESTABLISHMENT IN A COUNTRY WHERE OUR RESIDUAL INTERESTS ARE MINIMAL;
- 3. OFFERS US A LISTENING POST IN INDOCHINA, AND PERHAPS SOME FUTURE LIMITED ABILITY TO COUNTER SOVIET, CHINESE AND NORTH VIETNAMESE INFLUENCE THERE.
- CONS. 1. MAY BE TOO GREAT A PRICE TO PAY FOR US PRESTIGE AFTER SUFFERING HARASSMENT AND INTERFERENCE;
- 2. THE PRACTICAL BENEFITS OF MAINTAINING A DIPLOMATIC PRESENCE MAY BE LIMITED;
- 3. PLACES US PERSONNEL IN POSSIBLE FUTURE DANGER.

D. TO MAINTAIN A MINIMAL DIPLOMATIC PRESENCE WITH MODEST AID PROGRAMS:

PROS. 1. OFFERS THE GREATEST PROSPECT FOR MAINTAINING OUR INFLUENCE IN LAOS;

2. CONTINUES THE THRUST OF OUR POLICY IN LAOS -- SUPPORT AND AID FOR THE PGNU.

CONS. 1. INCONSISTENT WITH OUR REAL INTERESTS IN LAOS, WHICH ARE PRACTICALLY NON-EXISTENT;

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- 2. MAY SUBJECT AMERICANS TO CONTINUED HARASSMENT, INDIGNITY AND POSSIBLE PHYSICAL DANGER;
- 3. DIFFICULT TO JUSTIFY TO THE CONGRESS AND MAY REQUIRE A PRESIDENTIAL DETERMINATION TO OVERRIDE NORMAL PROHIBITION ON ASSISTANCE TO COMMUNIST-DOMINATED COUNTRIES.
- E. TO COMBINE OPTIONS C AND D, WHEREBY WE WOULD MAINTAIN A MODEST DIPLOMATIC PRESENCE WITHOUT AID BUT WITH THE POSSIBILITY OF THE LATTER BEING REINSTATED AT A LATER DATE.
- PROS. 1. THIS OPTION PROVIDES MORE FLEXIBILITY IN OUR OWN PLANNING;
- 2. IT PROVIDES AN INCENTIVE FOR THE PGNU TO DEMONSTRATE ITS DESIRES FOR A CONTINUED US PRESENCE;
- 3. IT PROVIDES THE OTHER PROS LISTED UNDER OPTIONS C AND D ABOVE.

CONS. SIMILAR TO THOSE LISTED UNDER C AND D ABOVE.

OTHER ISSUES. IN PREPARATION FOR ASSISTANT SECRETARY HABIB'S TRIP TO VIENTIANE JUNE 2-4 AND BEFORE AMBASSADOR-DESIGNATE STONE'S HEARINGS ON JUNE 4, WE WOULD APPRECIATE GUIDANCE ON THE FOLLOWING:

- A. AMBASSADOR-DESIGNATE STONE
- 1. LET HIM PROCEED ON SCHEDULE WITH ETA IN MID TO LATE JUNE. WE RECOMMEND THIS COURSE, IF THE SITUATION IN VIENTIANE CONTINUES ON AN EVEN KEEL;
- 2. DELAY HIS DEPARTURE.
- 3. CANCEL HIS DEPARTURE ALTOGETHER.

B. FUTURE ECONOMIC AID TO LAOS

1. STATE TO THE LAO AND CONGRESS, IF AND WHEN THE QUESSECRET SECRET

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TION IS RAISED, THAT IT IS NOT YET POSSIBLE TO DISCUSS ANY AID PROGRAM FOR FY 76. HOWEVER, WE COULD INDICATE A WILLINGNESS TO LISTEN TO PGNU IDEAS.

WE RECOMMEND THIS APPROACH SINCE IT IS NOT YET COMPLETELY CLEAR WHAT THE ULTIMATE OBJECTIVE OF THE LPF IS AND WHETHER OR NOT OUR CONTINUED ASSISTANCE COULD HAVE ANY INFLUENCE IN LAOS. WE SHOULD NEITHER BE RUSHED INTO IT NOR

BLACKMAILED INTO IT.

- 2. INFORM THE LAO THAT WE PLAN NO FURTHER US ECONOMIC ASSISTANCE FOR THE FORESEEABLE FUTURE. (THIS COULD LEAD THE PGNU TO EXPEL US ALTOGETHER.)
- C. FUTURE MILITARY AID TO LAOS

USE THE SAME ARGUMENTATION AS IN OPTION ONE OF THF FORE-GOING BUT ONLY FOR THE NEXT MONTH OR SO. AT THAT TIME THE LAO SHOULD BE TOLD THAT MAP IS AT AN END.

WE DO NOT FORESEE ANY POSSIBILITY OF CONTINUED MAP FOR LAOS.

- D. DISPOSITION OF SMALL NUMBERS OF LAO MAP ASSETS OUTSIDE LAOS.
- 1. RETURN THEM TO LAOS;
- 2. GIVE THEM TO THAILAND;
- 3. RETURN THEM TO US SOIL;
- 4. DESTROY THESE ASSETS
- 5. DELAY ANY DECISION FOR THE TIME BEING BY SUCH MEANS AS TELLING THE LAO THAT REPAIRS HAVE BEEN DELAYED, ETC.

WE STRONGLY FAVOR THE FIFTH PROPOSAL, SINCE OUR LEGAL PEOPLE TELL US THAT WE ARE ON VERY WEAK GROUND REGARDING ANY REFUSAL TO RETURN THEM TO LAOS, YET TO RETURN THEM SECRET SECRET

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BEFORE IT IS CLEAR THAT WE SHALL BE ABLE TO MAINTAIN AN EMBASSY IN VIENTIANE WOULD BE INTOLERABLE.

E. CONTINUATION OF REGIONAL AID PROGRAMS.

FINALLY, WE SHALL REQUIRE A DECISION EVENTUALLY REGARDING CONTINUATION OF REGIONAL AID PROGRAMS TO THE EXTENT THEY AFFECT LAOS. WE ARE NOT PREPARED AT THIS TIME, HOWEVER, TO MAKE A RECOMMENDATION ON THIS. HOWEVER, THE NAM NGUM DAM OVERRUN ON COST COULD REQUIRE A FURTHER US CONTRIBUTION AND A DECISION WILL BE REQUIRED FOR A JULY DONORS' MEETING

RECOMMENDATIONS (IN ORDER OF PREFERENCE):

1. ON QUESTION OF MAINTENANCE OF US DIPLOMATIC PRESENCE IN VIENTIANE:

OPTION E: MAINTAIN A MODEST DIPLOMATIC PRESENCE WITHOUT AID BUT FOR TACTICAL PURPOSES LEAVE OPEN THE POSSIBILITY OF FUTURE ECONOMIC AID.

APPROVE DISAPPROVE

OPTION C: ALTERNATIVELY, MAINTAIN A MODEST DIPLOMATIC PRESENCE WITHOUT ANY AID PROGRAM.

APPROVE DISAPPROVE

OPTION B: ALTERNATIVELY, WITHDRAW US PERSONNEL FROM LAOS AND STOP AID WITHOUT, HOWEVER, BREAKING DIPLOMATIC RELATIONS.

APPROVE DISAPPROVE

OPTION D: ALTERNATIVELY, MAINTAIN A MINIMAL DIPLOMATIC PRESENCE WITH MODEST AID PROGRAM UNDER CONDITIONS ACCEPTABLE TO US.

APPROVE DISAPPROVE

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OPTION A: ALTERNATIVELY, WITHDRAW COMPLETELY FROM LAOS, STOPPING ALL AID AND FORMALLY SEVERING DIPLOMATIC RELATIONS.

APPROVE DISAPPROVE

2. AMBASSADOR-DESIGNATE STONE:

OPTION 1: PROCEEDS ON SCHEDULE WITH ETA IN MID TO LATE

JUNE.

APPROVE DISAPPROVE

OPTION 2: ALTERNATIVELY, DELAY HIS DEPARTURE.

APPROVE DISAPPROVE

OPTION 3: ALTERNATIVELY, CANCEL HIS DEPARTURE ALTOGETHER.

APPROVE DISAPPROVE

3. FUTURE ECONOMIC AID TO LAOS:

OPTION 1: STATE TO THE LAO AND CONGRESS, IF AND WHEN QUESTION IS RAISED, THAT IT IS NOT YET POSSIBLE TO DISCUSS ANY AID PROGRAM FOR FY 1976. HOWEVER, WE WOULD INDICATE A

WILLINGNESS TO LISTEN TO PGNU IDEAS.

APPROVE DISAPPROVE

OPTION 2: ALTERNATIVELY, INFORM THE LAO THAT WE PLAN NO FURTHER US ECONOMIC ASSISTANCE FOR THE FORESEEABLE FUTURE.

APPROVE DISAPPROVE

4. FUTURE MILITARY AID TO LAOS:

OPTION: USE THE SAME ARGUMENTATION AS IN OPTIO ONE OF THE FOREGOING FOR TH: NEXT MONTH OR SO. AT THAT TIME T;E LAO SHOULD BE TOLD THAT MAP IS AT AN END.

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APPROVE DISAPPROVE

5. DISPOSITION OF SMALL NUMBERS OF LAO MAP ASSETS OUTSIDE LAOS:

OPTION 5: DELAY ANY DECISION FOR THE TIME BEING BY SUCH MEANS AS TELLING THE LAO THAT REPAIRS HAVE BEEN DELAYED ETC.

APPROVE DISAPPROVE

OPTION 1: ALTERNATIVELY, RETURN THEM TO LAOS.

APPROVE DISAPPROVE

OPTION 2: ALTERNATIVELY, GIVE THEM TO THAILAND.

APPROVE DISAPPROVE

OPTION 3: ALTERNATIVELY, RETURN THEM TO US SOIL.

APPROVE DISAPPROVE

OPTION 4: ALTERNATIVELY, DESTROY THEM.

APPROVE DISAPPROVE

ABOVE DRAFTED BY EA; CPARED WITH NSC (STEARMAN); DOD/ISA AND JCS; AID, S/P AND S: MR. BREMER

ABOVE CABLE PREPARED PRIOR RECEIPT YOUR SECTO 2045, BUT BELIEVE IT IS RESPONSIVE TO YOUR REQUEST. ALSO SEE STATE 125103 (TOSEC 20103) LAOS SITUATION REPORT FOR LATEST DEVELOPMENTS. INGERSOLL UNQUOTE INGERSOLL

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